

Dear Friend,

If you haven't filed your taxes yet, there's still time. And this year, millions of middle-class families will find the tax burden lighter and bigger refund checks in their mailboxes. That's because the Recovery Act passed last year reduced taxes by almost \$100 billion last year and by \$220 billion this year. For American families, that translates into significantly lower taxes and larger tax refunds—in fact, **refunds are up 10% this year**.

At a time when America appeared to be on the verge of another depression, the Recovery Act invested in needed infrastructure projects across the nation, helped those hardest-hit by the recession, and kept police officers, firefighters, and teachers on the job serving our communities.

**Today, as you're filing your taxes, remember that you might be eligible for these new credits and deductions:**

- **Making Work Pay credit:** 95% of working families are receiving this credit, which means \$400 less in taxes for individuals and \$800 less for married couples. You've probably already seen the effects of this credit in your paycheck.
- **College expenses:** Families and students can claim up to \$2,500 to pay for college expenses.
- **First home purchase:** If you have bought your first home by April 30 of this year, you can claim an \$8,000 deduction. And many other homebuyers can claim a deduction, as well.

- **Energy efficiency incentives:** If you've made your home more energy efficient through steps like adding insulation or energy-efficient windows, you're probably already saving money on your energy bills. But now, you can also claim a \$1,500 tax credit.
- **New vehicle purchases:** If you bought a new vehicle between February 17 and December 31 of last year, you can deduct the state and local sales taxes from your federal tax return.
- **Family tax credits:** If you're a moderate-income family, the Recovery Act increased your tax credits: the Earned Income Tax Credit is now \$5,657, and it's now easier to claim the Child Tax Credit.
- **Tax-free unemployment benefits:** Unemployment benefits are usually taxable—but if you were looking for work last year, the Recovery Act made the first \$2,400 in unemployment benefits tax-free.

**For an easy way to see which tax benefits are available to you under the Recovery Act, check out the Tax Savings Tool at [www.whitehouse.gov/recovery](http://www.whitehouse.gov/recovery) .**

**These are still the hardest times we've seen in decades, and I know we have a long way to go before our economy is fully back to health.** We're making real progress, and in the meantime, I hope you'll take full advantage of these benefits this year.

Sincerely,

Mike Quigley